

## **Assessing payment adequacy and updating payments: home health**

**ISSUE:** Are Medicare payments for home health care services adequate in 2005?

**KEY POINTS:** Our previous discussion of this topic included four factors that provide information about the adequacy of payment: beneficiary access to care, quality of care, supply of home health agencies, and access to capital. We found that

- Most beneficiaries have good access to care, though some continue to experience difficulties.
- Quality of care has shown a very slight improvement.
- The number of certified home health agencies has increased recently.
- Access to capital is not particularly instructive.

This paper incorporates those factors and adds information regarding changes in the volume of services and factors that will influence payments and costs in the coming years.

The presentation on this topic will also include data on the financial performance of home health agencies.

**ACTION:** Staff seeks the Commission's assessment of the available information to formulate a draft recommendation regarding the update factor for 2006.

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